The mission of the Finance Department is to coordinate the financial affairs of the City and provide various internal services and supplies for all City departments.

Overview

The Department of Finance provides a variety of support functions to City departments and officials. The Director's Office coordinates all accounting, external auditing, bookkeeping, billing, revenue collection and purchasing activities for the City. In addition, the Director is tasked with supervising the preparation of the annual City budget, investment policies, debt management program, retirement systems, special assessments, risk management and data processing systems.

The Budget Office advises the City Manager and Director of Finance on the budget and related financial matters. Budget staff respond to research requests and administer the operating and capital budgets. The Controller's Office directs the general accounting, auditing and payroll activities of the City. The Purchasing Office acts as the centralized purchasing agent for the City. The City's debt issuance is coordinated through the Debt Management section and Treasury is responsible for all revenue management and investment activities.

The Finance Department also manages Information Technology, providing data processing, telecommunication, copying and printing services to City departments. Micrographics and stationery services are provided through the Stationery Stores Fund. Life, health and worker compensation coverage, risk management functions and the Safety Office are funded from the Self-Insurance Fund. Pension Management oversees the pension funds. Economic development projects are coordinated through the Economic Development Fund. Property Management is responsible for acquiring, managing and selling property for the City.

Finance and Operations

The Finance Department includes a variety of organizational support functions, many of which are financed from various sources. Information Technology/Information Services, Stationary Stores and Self Insurance are internal service funds, with receipts derived from departmental users. Economic Development activities and Property Management are funded through special revenue funds. Pension assets for City employees are held in trust funds and managed by the Department of Finance.

The Director's Office is responsible for the overall management of the department, as well as the development, preparation and administration of the City's annual budget. The Budget Office also coordinates preparation of the ten-year Capital Improvement Plan, in addition to the five-year financial plan, which is prepared for long-term forecasts.

Staff advise the City Manager and the Director of Finance regarding financial and management issues, and provide research for City management staff. Assistance is provided to City departments regarding appropriate and necessary

Finance staff coordinate research projects, often in cooperation with other departments, to facilitate informed decision making. Staff often present financial information to citizen groups, as shown above.
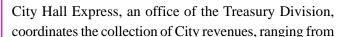
budget procedures. Budget Office staff receive assistance on revenue and expenditure planning and statistical research from the Center for Economic Development and Business Research (CEDBR) at Wichita State University. The CEDBR also assists with preparation of the City's Economic Profile.
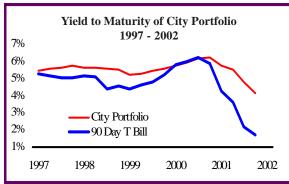
The Controller's Office provides general accounting services for City departments. Support includes processing vouchers and issuing checks. Controller's Office staff also administer approximately $6 million of grants annually. The coordination of the annual external audit is performed by the Controller's Office, as well as the cost-allocation plan, which allocates overhead and administrative costs among City departments. A significant responsibility is the preparation of quarterly reports outlining the City's financial condition and the Comprehensive Annual Financial Report. Controller staff continually work to ensure that internal controls are in place to guard against waste, inefficiency and financial infidelity.

The Purchasing Office performs the centralized purchasing of City goods and services. Staff seek to procure the highest quality products and services for City departments at the lowest possible cost. In 2001, Purchasing implemented an electronic procurement system known as e-procurement (via the Internet) at http://www.wichita.gov which allows vendors to register on-line and to electronically receive and submit bids, receive purchase orders, provide invoices and obtain payments. The e-procurement system has improved staff efficiency, and reduced bid costs to the City by improving information flow. With the refinement of processes, all e-procurement activities will be consolidated in Purchasing in 2002. This will result in the addition of one position in Purchasing, and the elimination of two Public Works Engineering positions.

The Debt Management section has two primary areas of responsibility: coordinating the sale of general obligation bonds and calculating and administering special assessments. Staff spread special assessments to benefit districts, certify assessment rolls to the County, and reapportion special assessments to parcels that have been split, re-platted or newly platted. Special assessment tax records are also retained in this section.

Treasury is responsible for the investment of the City's pooled investment portfolio, which typically is approximately $200 million. Using the 90-day U.S. Treasury bill as a benchmark, the investment activity of the City has been very successful. Projecting cash balances and maintaining adequate cash flow for the City are functions performed by this office.

Yield to Maturity of City Portfolio 1997 - 2002

City Hall Express, an office of the Treasury Division, coordinates the collection of City revenues, ranging from water bills to license fees. City Hall Express operates from 8 a.m. to 5 p.m. daily to facilitate customer payments. In addition, selected payments to the City may be made at cooperating local grocery stores for customer convenience.

The Economic Development office coordinates the economic development activities of the City. Staff work to attract new businesses and retain existing businesses by developing and arranging innovative special financing. Financing tools include the issuance of Industrial Revenue Bonds (IRB), the use of tax exemptions,

and the use of tax increment financing. Revenues are derived primarily from administrative charges on IRB issuances. In addition, the General Fund augments Economic Development Fund resources.

Economic development activities are pursued by partnering with private business. Partnering takes many forms, one of which is the offering of Industrial Revenue Bonds. IRB financing facilitates job creation and retention while providing qualified businesses with a tax exemption on equipment and facilities financed with the IRB proceeds. IRB financing also allows businesses to finance expansion at a lower interest rate than is otherwise available. Currently, over $3.8 billion is outstanding in IRBs.

Cessna Training Facility, a public/private partnership financed through the 21st and Grove TIF District and a HUD Section 108 loan.

Another form of financing utilized to generate economic growth is Tax Increment Financing (TIF). The Economic Development Office oversees the creation of TIF districts to stimulate economic growth by allowing any increase in assessed valuation (and the resulting increase in property taxes) to be directed exclusively towards redevelopment purposes. Tax increment financing districts have been utilized to revitalize the 21st and Grove area, to finance improvements to Old Town, and to encourage the development of the East Bank area. Each TIF has stimulated long term economic viability.

In 1999, a $10 million public/private partnership was initiated to provide loan funds to start or enhance existing small and/or minority businesses, which would not otherwise receive commercial loans.

Property Management is involved in transactions to buy and sell real estate on behalf of the City. Many transactions are related to CIP projects and the need for right of way or building locations. In addition, this office also manages City owned properties, focusing on properties that are revenue generating. Managed properties include the Victoria Park Apartments, the Farm and Art Market in Old Town, and the City Hall Parking Garage. The office is funded entirely by lease revenues. A vacant Land Analyst position has been deleted from this Division.

Pension. The Finance Department includes five staff that administer the activities of the City's two distinct pension funds. The Wichita Police and Fire (WPF) fund provides for the retirement of police officers and firefighters, which includes three separate plans: Plan A, Plan B, and Plan C-79. Plans A and B are closed. Under C-79, an employee can retire with 30 years of service regardless of age, or with 20 years of service and 50 years of age.

For general government workers, the Wichita Employees Retirement (WER) Fund has been established which includes Plan 1, Plan 2 and Plan 3. Plan 1 is closed. Under Plan 2, an employee can retire at age 62, receiving 2.25 percent of their final average salary per year of service. Plan 3 is a defined contribution plan.

Pension Funds		
	WER	**P&F**
Funds Assets (millions)	421.6	355.1
Number of Pensioners	1,047	831
Annual Pension Payments (millions)	16.2	15.1
Plan participants	2,174	1,847

Pension Fund Performance Statistics			
	1999	**2000**	**2001**
WER fund return	16.75%	-2.01%	-4.42%
WPF fund return	17.88%	-2.01%	-4.42%
WER funding ratio	120.1	125.9	121.2
WPF funding ratio	113.2	114.6	111.4

Sixteen-member boards administer both pension funds. The WER Board includes the City Manager and the City Manager's designee, seven members appointed by the City Council, and seven members elected by the plan participants. The Police & Fire Board includes the City Manager, the Fire Chief, the Police Chief, seven members appointed by the City Council, and six members appointed by plan participants. The investment activities of the Board are consolidated, with oversight from an eleven member Investment Committee composed of WER and WPF Board members. Pension Management provides staff support for the Boards.

Pension funds are invested based on the asset allocation plan adopted by the boards. In the past, the allocation has been 66 percent equities and 34 percent fixed income instruments. An annual return of 7.75 percent is assumed for actuarial purposes.

Self Insurance. The Department's Risk Manager and support staff are responsible for sound risk control and safety procedures and the financing of these risks consistent with the City's financial resources. Specifically, staff administer the City's Life Insurance, Worker's Compensation, Health Insurance and General Liability Risk Management. In addition, Safety Office staff are included in Self Insurance.

Life Insurance coverage is available for all full-time City employees. Premiums are financed one-third each by the employee, the City and fund interest earnings. High quality health insurance at affordable rates is also available to employees and retirants. The City finances 75 percent of premium costs for active employees, with the remaining 25 percent funded by the employee.

Annually Risk Management personnel investigate and process over 500 worker's compensation claims. The staff also review property and liability loss exposure issues. When appropriate, the defense and settlement of tort claims is funded by the Self Insurance.

Self Insurance Fund Expenditures		
	2002	2003
Life Insurance	901,070	901,070
Health Insurance	19,620,140	21,828,850
Workers Compensation	3,814,970	3,974,190
Risk Management	2,063,140	1,738,040
Safety Office	215,560	217,480
Tort	700,000	700,000
Total Self Insurance Fund	27,314,880	29,359,630

Safety Office staff encourage safe work habits and a safe work environment through aggressive train-ing, in-spection of work sites and facilitation of work environment improvements.

Safety Office staff strive to encourage City employees to develop safe work habits. Numerous training sessions are held, covering topics such as defensive driving, bloodborne pathogens, electrical safety and ergonomics. More than 650 City employees attend training monthly.

Stationery Stores. To insure the most cost efficient delivery of services, the City has centralized microgaphics and office supply procurement. The services are financed through internal service fund charges. Staff in the Department of Finance-Purchasing Office coordinate the services.

Stationery Stores facilitates the procurement and delivery of office supplies, coordinating with a private supplier since 1996. The process was privatized to eliminate inventory costs for the City and provide faster,

more efficient delivery of products at the lowest possible cost. Departments order from an assigned catalog, which contains a diverse range of products from paper clips to printer cartridges, most often with next day delivery. Micrographic services are provided by a private vendor, coordinated through Stationery Stores. Outgoing U.S. mail from City departments is processed in

Stationary Stores Fund Expenditures		
	2002	**2003**
Stationary Stores	921,740	965,560
Print Shop	398,860	0
Copiers	410,000	0
Micrographics	106,680	106,680
Total Stationary Stores Fund	1,837,280	1,072,240

the mailroom to ensure the lowest possible cost for first and fourth-class mail. A centralized Paragon mail machine is used for bar coding and stamping.

Information Technology Fund combines the former Data Center, Telecommunications and Print Shop functions into one operational and accounting structure. Functions include providing staff assistance to the IT/IS Advisory Board, assisting City staff with technology concerns and development, serving as liaison to Sedgwick County Data Processing, managing system applications, and providing a City-owned telephone system to the organization at the lowest possible cost.

Information Technology (IT) services support 2,103 users of 11 major systems at 34 City facilities. System access is available 24 hours a day through 1,359 personal computers (PCs). Telecommunications services are provided through 2,201 telephone lines and 1,299 telephone instruments to City staff at City owned and operated locations.

Systems supported by IT include: Internet applications, public safety, Geographic Information Systems (GIS), document imaging, office automation (including electronic mail and Microsoft Office productivity software), water billing, permitting (Central Inspection), park and recreation registration, Firehouse, personnel, finance and telecommunications, including long-distance service and pagers.

The Print Shop uses the latest technology in printers to provide economical printing and copying services. Currently, older equipment is being re-evaluated for functional effectiveness, with the expectation that additional functions will be privatized.

Information Technology (IT) is an internal service operation, charging City of Wichita departments for support and maintenance of the information systems. IT is staffed by 48 employees, of which 46 are professional staff. Data charges and staffing levels increase only with additional service provision, as new systems are added, or as systems are expanded.

System or Application	Number of Users
Public Safety	1,025
Office Automation	1,050
Utility Billing	90
Park Recreation	30
GIS	115
Firehouse	70
Central Inspection	85
Finance/Payroll	225
Internet Access	330
Telecommunications	1,350

In 2000 the City hired a Chief Information Officer (CIO), solidifying the commitment to improving the organization through the use of technology. One of the CIO's primary assignments was the centralization of IT resources. From 2000 to 2003, the IT staff expanded from 28 to 48 positions. Although 20 positions were added, 17 of those were either transferred from or funded by other City departments. The only new positions were one administrative support

staff (bringing total administrative staff to two), and two Web positions to support E-Government development.

City IT accomplishments stretch far beyond consolidation. In addition to the specific system enhancements described below, the City developed a new governance model for Information Technology resources. The IT/IS Advisory Board is chaired by the Assistant City Manager, and includes department directors from Finance, Police, Water & Sewer, Park and Library. The Board is charged with establishing and maintaining strategies that maximize the use of technology at a reasonable cost to the organization. Additionally, three smaller Boards report to the Advisory Board. These boards are staffed by expert users and represent virtually all City departments. The Web Board provides strategy on content and design of the City's website and E-Government applications. The GIS Board oversees development of the City's GIS capabilities and the implementation of the GIS Master Plan. The Technical Review Committee reviews small requests for new technology and recommends approval or disapproval to the Advisory Board.

A new Public Safety system is nearing completion. The existing system in use since 1989 cannot be migrated to the City's standard operating system, will not support an incident-based reporting system, and will no longer be supported by the vendor. The new system will allow information to be shared by Police, Prosecution and Court. The new system will also streamline data entry by integrating bar code and driver's license scanning, imaging and Internet technology. Customer service will improve as payment, court date, and other notification processes are part of the new application. The new system is expected to be operational in 2002.

The Local Area Network (LAN), the ìbackboneî of the City's network, was replaced in 2001. The LAN connects desktop personal computers and printers to the servers, which operate the City's computer systems. The LAN was first installed in 1989 to serve 94 terminals and 17 printers. In 1996, the network was replaced to handle the increased load of 636 terminals, 256 PCs and 24 laser printers. The 1996 system was replaced in October 2001, and serves 820 PCs and 120 laser printers. The replacement equipment generated significant gains in network speeds, offsetting the additional network traffic created by the growth of GIS and Internet services.

Another IT/IS initiative is creating a Wide Area Network (WAN) to connect 27 remote City sites to the network. The chosen solution for the WAN is thin client, a technology that has several advantages, but the primary advantage is a reduction of information transmitted across the network. A thin client sends only keystrokes and screen images across the network, ìthinningî the data transmission and speeding the process up considerably. Sites utilizing $300-400 per month T1 lines can operate more quickly on $80 per month dedicated data transmission lines. Also, the thin clients are expected to provide reliable service for five years, as compared to three years for a personal computer.

Recently IT/IS and the City of Wichita extended Web/Internet capabilities to the Wichita Convention and Visitors Bureau (CVB). As an integral part of the tourism package, the portal site (http://www.visitwichita.com) provides ìone stop shoppingî for people seeking information about Wichita, including hotels, restaurants, travel information, and attractions. Site maintenance is handled by IT/IS through a contract with the CVB.

The City's web site, http://www.wichita.gov, went live in October 1999. The web site improves City services by providing access to information and forms 24 hours a day, 7 days a week. Information is available through community bulletins and newsletters, calendars, surveys and E-mail access to City departments and employees.

- ✓ A Real Estate Developer's Directory is available on-line to allow developers, real estate professionals, and other citizens to quickly and easily contact City or County departments/personnel needed to proceed with development projects.
- ✓ An animal shelter adoption on-line application allows citizens to view animals at the City Animal Shelter and ìreserveî animals for adoption. Air quality information is posted and updated daily, allowing citizens to determine whether it is healthy for them to be outside before leaving their homes or offices.
- ✓ Capital Improvement Program project information is provided through a series of drop down menus so citizens can select projects by Council District, project type, project cost or scheduled construction year.
- ✓ Court docket information, applications for employment, records requests and diversion requests are all available on-line for citizens.
- ✓ Forms for building permits, licensure, vendor registration, and applications for Industrial Revenue Bond financing are available on-line, allowing businesses to operate more efficiently.
- ✓ Additional E-Government services under development include utility billing and secure

The City of Wichita web page includes links to e-procurement, city codes, employment, and other services.

electronic payments, including Park recreation facility and class payments, and payments for building permits.

A Content Management System (CMS) is budgeted, scheduled for implementation in late 2002. The CMS allows departments to create their own Web content, with the IT Web staff acting as editors. Before CMS, the Web staff edited and updated the information to stay current. With the Content Management System, the Web staff can devote the majority of effort to developing additional E-Government applications and improving the City Intranet. Once implemented, the CMS will facilitate a City Website with more dynamic and more current information.

E-procurement went live in July 2000, establishing an electronic relationship between the City and its thousands of vendors. The system automates procurement transactions, including on-line vendor registration, bid solicitation and submission, purchase orders and invoice submission.

The Intranet uses Internet-based technology within the organization to facilitate communication and access to information. The City Intranet debuted in 2001, and is available to the approximately 1,050 employees who have access to the office automation system. A primary benefit of the Intranet is the paperless publication of documents such as the employee newsletter, job listing, Council newsletter, and other internal documents

that formerly were distributed as paper copies. Savings accrue not only from avoided printing costs, but also from the time taken to sort and distribute information.
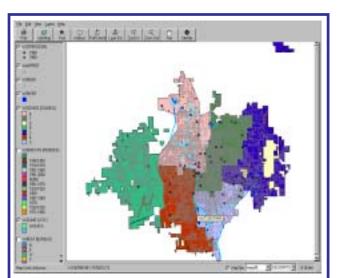
Additional Intranet applications include a Police knowledge management system (posting detective's notes to the Intranet), an internal phone book, an application that provides employees with a transcript of attended City training programs and an In-Out Employee Status Board providing location and return time. As technology continues to develop, the City may be able to process internal forms on the Intranet, eliminating thousands of paper copies and many hours spent distributing copies each year.

Migration to Microsoft Office 2000 was completed in early 2001. One of the many improvements achieved during the change over was the standardization of software. All office automation accounts now include Word, Excel, Outlook, and PowerPoint. Finally, all computers with processor speeds of 200 MHz or less were replaced due to the increased operating requirements of Office 2000.

IT staff are currently planning the migration of the City's operating systems to Windows XP. Unlike the simpler upgrade to the desktop productivity software, the operating system upgrade requires new servers and server software. Also as part of the operating system upgrade, personal computers with processor speeds of 300 MHz or less will be replaced. Funds are included in the 2002 budget for hardware, software, and training.

Geographic Information Systems (GIS) supports many projects and involves most departments. For example, GIS played a critical role in locating fire stations for the fire station construction/ relocation plan, approved in 2000. As additional base layers of data are completed, GIS continues to grow in importance to other City departments providing opportunities for greater analysis of operations, allowing departments to use scientific analysis to improve service to citizens and mapping the City's infrastructure assets.

The MapWise application allows novice users to access valuable data on land use, infrastructure, and incident reporting.

The MapWise application, implemented in 2000, offers significantly enhanced access to GIS information. The MapWise application is less expensive to license and more user-friendly than traditional GIS applications. The low cost and ease of use has allowed many more users access to GIS data with no net increase in cost to the City.

MapWise is further enhanced by the addition of zoning information. Personnel in Planning, Water and Sewer, Central Inspection and Engineering have access to the most current zoning information from their desktop. In 2002, a sixth position is added to GIS, offset by a position reduction in Planning. The new position will focus primarily on improving Planning data, allowing Planning to increase their productivity. Much of the planning data on land use and zoning will also be useful to other City departments.

In 2003, the Print Shop is moved from Purchasing to IT. The Print Shop provides printing and copying services to City departments. In 1999, the City invested in new document processing technology, including two high volume copier/network printers and one color copier. Three positions are transferred to IT as part of the transition. Currently, the Print Shop and its equipment are being re-evaluated for functional effectiveness, with the expectation that many functions will be privatized.

The Help Desk structure was strengthened by the addition of a Help Desk Supervisor in 2000, and was further enhanced by an additional help desk technician in 2002. The Help Desk Supervisor coordinates traditional Help Desk activities such as user support, system monitoring and maintenance, installing and repairing hardware, as well as working with City departments to improve services. The additional technician helps maintain timely service and keep computer (and employee) downtime to a minimum.

Finally, the creation of an Assistant Chief Information Officer position is included to assist in business plan development, project management and customer relations. The position also provides a succession plan for the City. The Assistant CIO addition is offset by the deletion of a Systems Analyst III.

Highlights
- ✓ Beginning in 2003, Print Shop operations will be consolidated in the IT Division.
- ✓ Further coordination and integration of IT responsibilities will continue, with the proposed integration of Planning and Police data processing functions into IT.
- ✓ The CRS Division has been removed from the budget in 2004.
- ✓ Two vacant positions have been deleted; a Land Management Analyst and a Senior Budget Analyst.

Finance Department Budget Summary					
	2001 Actual	2002 Adopted	2002 Revised	2003 Adopted	2004 Approved
Personal Services	37,936,563	42,349,430	42,283,560	44,479,870	46,579,750
Contractual Services	29,028,466	37,862,210	37,791,660	40,697,820	45,068,750
Commodities	458,709	922,220	917,590	602,920	511,700
Capital Outlay	44,320	1,376,820	1,171,490	724,830	211,100
Other	8,899,355	5,083,570	10,400,630	9,799,440	7,701,450
Total Local Expenditures	**76,367,413**	**87,594,250**	**92,564,930**	**96,304,880**	**100,072,750**
General Fund	3,445,021	3,807,170	3,718,630	3,856,920	3,837,100
Economic Development	841,795	591,750	4,089,570	2,095,970	603,490
Property Management	1,212,834	1,965,660	1,965,660	1,831,270	1,373,180
Information Technology	5,701,746	5,660,580	5,657,650	7,829,970	7,033,390
Stationery Stores Fund	1,572,647	1,761,310	1,837,280	1,072,240	1,030,710
Self Insurance	23,808,790	27,613,260	27,314,880	29,359,630	33,800,800
Pension	39,784,580	46,194,520	47,981,260	50,258,880	52,394,080
Total Local Expenditures	**76,367,413**	**87,594,250**	**92,564,930**	**96,304,880**	**100,072,750**
Total full-time positions	125	123	129	133	132
Total part-time positions	3	2	4	2	2
Total FTE	126.75	124.25	130.75	134.25	133.25

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